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3
4 MEETING
5 OF THE
6 GOVERNING BOARD OF
7 CHICAGO DEVELOPMENT FUND

8 City Hall - Room 1000
9 121 North LaSalle Street
10 Chicago, Illinois

11 August 6, 2014
12 3:06 p.m.

13 Mr. Andrew Mooney, Chairman
14 Ms. Carrie Austin
15 Ms. Alexandra Holt
16 Ms. Stephanie Neely
17 Ms. Lois Scott
18 Mr. Rafael León
19 Mr. Scott Fehlan
20 Ms. Aarti Kotak
21 Ms. Tracy Sanchez
22 Mr. Kant Desai
23 Mr. Tony Smith
24 Mr. James Simmons

Mr. Gregory Smith, Guest
Mr. Abit Ihmoud, Guest

Reported by: Nick D. Bowen
CSR No. 084-001661

1 CHAIRMAN MOONEY: All right. We can convene
2 our meeting. Thank you for coming.

3 Why don't we run around the table
4 and -- so that you have everyone's name.

5 I'm Andy Mooney, president of the
6 board of CDF.

7 Alderman.

8 MS. AUSTIN: Carrie Austin, Alderman, 34th
9 Ward.

10 MS. NEELY: Stephanie Neely, City Treasurer.

11 CHAIRMAN MOONEY: Alex.

12 MS. HOLT: Alex Holt, Budget Office.

13 CHAIRMAN MOONEY: On the board? Okay.

14 MS. HOLT: Yeah, on the board.

15 MS. KOTAK: Aarti Kotak, vice president CDF.

16 MR. SMITH: And Tony Smith, S.B. Friedman &
17 Company, consultant to CDF.

18 MR. SIMMONS: James Simmons, also with S.B.
19 Friedman.

20 MS. SANCHEZ: Tracy Sanchez, DPD, assistant
21 treasurer.

22 MR. LEÓN: Rafael León, chairman of the
23 advisory board.

24 MR. IHMOUD: Abit Ihmoud, guest.

1 CHAIRMAN MOONEY: Thank you.

2 MR. SMITH: Greg Smith, guest.

3 MR. FEHLAN: Scott Fehlan, City of Chicago
4 Law Department.

5 MR. DESAI: Kant Desai, City Treasurer's
6 Office.

7 CHAIRMAN MOONEY: Hi, Lois. Just in time.
8 State your name.

9 MS. SCOTT: Lois Scott.

10 CHAIRMAN MOONEY: Great. Thank you.

11 Minutes were distributed. Do we
12 have a motion to approve from our last meeting,
13 May 13?

14 MS. AUSTIN: So move.

15 MS. NEELY: Second.

16 CHAIRMAN MOONEY: All those in favor, say
17 aye.

18 (Chorus of ayes.)

19 Thank you.

20 We're going to run through this
21 pretty quickly. I hope to get you all out of here
22 within a half hour if we can do so.

23 Tony, do you want to run through the
24 status?

1 MR. SMITH: Sure. Yes.

2 So our traditional chronological
3 breakdown of the transactions CDF has approved over
4 time by year. So focus on the 2014 activity for
5 the sake of keeping it brief.

6 So METROsquash, which was approved
7 actually at the end of 2013 and then began closing
8 in the new year, did successfully close last month
9 and is now starting construction. And there's a
10 groundbreaking event on the calender. I don't know
11 the date of that, but it sounded like --

12 CHAIRMAN MOONEY: Oh. I've been told it's
13 going to be on August 20th. So we'll get notice
14 out to you. It would be nice if we could come to
15 the groundbreaking.

16 MS. NEELY: When's it scheduled to open?

17 MR. SMITH: I believe it's roughly one year
18 construction period. So next summer.

19 And then SCR Medical Transportation,
20 which was approved at the last board meeting, is
21 still in the closing process. Hopefully still a Q3
22 closing, although it may leak into Q4.

23 As far as a sort of recapping the
24 locations where CDF's projects fall, the most

1 recent closing is METROsquash, which is depicted
2 here at 61st and Cottage Grove on the west side of
3 the street.

4 And as far as construction status of
5 those past projects, so three projects for which
6 financing closed last year, Shops & Lofts at 47,
7 which is the mixed-use grocery anchor project at
8 47th and Cottage, ACE, which is the solar and
9 energy efficiency retrofit through a number of
10 affordable housing buildings that are scattered
11 sites around the city, and then Breakthrough Urban
12 Ministries, which is the community center and
13 homeless services center in East Garfield Park, all
14 are still under construction, although moving along
15 nicely.

16 Shops & Lofts is likely going to
17 have a major opening event or multiple events in
18 October.

19 And then ACE is --

20 MS. KOTAK: I think October 20th is the set
21 date.

22 MR. SMITH: And then ACE is a rolling project
23 given that it's multi-site, and so some of the
24 buildings are complete, but others are still in

1 construction. I believe they're wrapping in the
2 next couple months as well with their final
3 building.

4 And then Breakthrough Urban
5 Ministries is slated for roughly mid November
6 for completion.

7 And then METROSquash, construction
8 is just starting since the financing just closed.

9 And then all other projects on that
10 list are complete and in operation.

11 As far as just kind of recapping
12 CDF's allocations to date and deployment. So I
13 guess the -- the multiple colored blobs on this
14 chart are different rounds of allocation starting
15 with the first round, which came in in 2007, and
16 ending with the most recent round, which came in
17 just two months ago, \$43 million award.

18 So you see the declining balances as
19 CDF deployed each historical round of allocation,
20 and then the black line that's going up from the
21 bottom left to top right is the cumulative
22 deployment to date for CDF.

23 So at this point 238 million of
24 allocation has been deployed since inception, and

1 43 million of new allocation has just come in, and
2 so that's the portion that needs to be deployed.

3 And that is it in terms of the
4 status update.

5 CHAIRMAN MOONEY: Forgive me for forgetting
6 our meetings, but did we -- oh, you're about to
7 talk about the most recent award.

8 MR. SMITH: Yes.

9 CHAIRMAN MOONEY: Yeah, okay. I'll let you
10 do that.

11 MR. SMITH: Yes. We originally had this
12 meeting scheduled for last month, but could not get
13 a quorum. So we waited two months to talk about
14 the award.

15 But it did come in in early June of
16 this year. So CDF received a \$43 million award,
17 which was the largest of any local service area CDE
18 and any municipal affiliate CDE in this round. So
19 that's the third time CDF has done that.

20 And, also, this pushed CDF to be the
21 largest cumulative municipal affiliate allocatee in
22 the history of the program with 281 million to
23 date. So caught up to both Phoenix and St. Louis,
24 who had gotten in the program much earlier than

1 CDF. So a great result, we think.

2 It actually is CDF's second smallest
3 award to date, and that kind of ties to the fact
4 that this round was about sort of parity among the
5 different awardees. 60 million was the largest
6 award that anybody got in this round, which is much
7 smaller than the \$100 million floor -- or, sorry,
8 ceiling that had been seen in prior rounds.

9 So relatively speaking, a good
10 award. In absolute terms, a decent result.
11 However you want to slice it.

12 87 awards for 310 applicants; so
13 28 percent of the applicants got credits. So it
14 continues to be a very competitive process.

15 CHAIRMAN MOONEY: I do want to just take a
16 moment to congratulate Tony and the rest of the
17 team, Tracy, Jim, and others, for putting the
18 application together and then shepherding it
19 through the process.

20 It really was a very competitive
21 process. And as he noted, we're the largest
22 city -- largest city -- the city with the largest
23 allocation. Good job.

24 MR. SMITH: So just a quick sort of return to

1 the themes that were kind of highlighted in the
2 application.

3 This is really -- this is important
4 and growing in importance each year. Treasury
5 keeps sending signals that they want CDEs deployed
6 in a manner that's very consistent with their
7 business strategy and mission. And they do check
8 up on that pretty consistently.

9 So the key themes that we thought
10 were important, to kind of re-highlight, were the
11 volume of transactions CDF does. 40 million a year
12 of deployment has been a pretty consistent rate for
13 CDF for the last five years running. So that was
14 emphasized consistently throughout the app to try
15 to fight for a larger award than what the Treasury
16 might otherwise want to give a small service area
17 applicant.

18 So with this 43 million, it is
19 incumbent on CDF to deploy it efficiently. This
20 is about a one-year supply basically.

21 The three buckets of sort of policy
22 areas for CDF since inception has been industrial
23 expansion that will support high quality job growth
24 and retention, projects that increase healthy foods

1 access such as grocery stores in underserved areas,
2 and then nonprofit-sponsored community facilities,
3 so a range of sectors like healthcare, education,
4 job training, youth programming.

5 So those were -- those continued to
6 be mentioned in the application as the policy focus
7 for CDF.

8 Also highlighted were support for
9 small deals. CDF is able to do transactions that
10 are in the 5 to \$6 million range, which is a size
11 that's really challenging for many CDEs around the
12 country based on the fee structures and the
13 transaction costs of getting these deals done. And
14 CDF does have a good track record of doing small
15 transactions, METROSquash being the most recent
16 example at 6-1/2 million total.

17 And then also non real estate
18 financing. Treasury keeps saying that they want
19 CDEs to use these credits at least in part to fund
20 things like equipment and working capital, not just
21 brick and mortar real estate development. And so
22 CDF has a decent track record of about 20, 25
23 percent of its total dollars have gone to those
24 parts of projects in the past. And so that was

1 highlighted.

2 And then as far as the stance on
3 retail and commercial development, so consistently
4 CDF's mission statements have said that retail and
5 commercial is about delivering a key service to an
6 area that lacks it, most notably grocery. And kind
7 of the flip side of retail is the job quality is
8 not so good. Generally it's, you know, a lot of
9 part-time positions. There's not many that carry
10 benefits. And so given the policy signals that
11 Treasury continually sends out for what kind of
12 deals they want to see happening, retail is an
13 awkward fit unless it's grocery. And so that
14 continues to be highlighted for CDF's business
15 strategy, that only will retail happen if it's
16 grocery.

17 And then also just kind of
18 highlighting the areas that CDF has operated are
19 not just technically qualifying, but also the most
20 distressed parts of the City of Chicago.

21 One of the kind of negative landmark
22 moments in the New Markets industry was back in
23 2011. There was some negative press about the
24 Blackstone Hotel, in fact, on South Michigan

1 Avenue, which was a New Markets transaction,
2 although not one that CDF was involved in. But
3 Bloomberg and CBS both picked up on that project
4 and said: This is not the intended use of the
5 program. This is a luxury hotel. This is not
6 serving low-income people in any meaningful way.
7 How does this qualify?

8 And so in light of that, but also
9 just in light of kind of the true mission of CDF
10 and the program, we highlighted that CDF has
11 operated on the South Side, on the West Side, not
12 in any areas that are even close to borderline
13 qualifying.

14 Returning a bit to the three kind of
15 program focus areas that I mentioned previously,
16 industrial, grocery anchor retail, and community
17 facilities. I do think it makes sense to touch on
18 sort of where the dollars have gone historically
19 and what could be done in this round perhaps a
20 little differently.

21 So there's a lot of weighting
22 towards nonprofit deals. I think that's a function
23 of a couple things.

24 Number one, nonprofits have been

1 actually heavy users of the program nationally.
2 They're good at accessing the program, and they're
3 used to dealing with complex financing and giving
4 people lots of information to get the financing
5 measuring impacts.

6 Also, CDF began operations for
7 financing purposes in 2008. And that was a time
8 at which not a lot of financing was available for
9 operating businesses for grocery projects who are
10 more reliant on bank debt.

11 So nonprofit deals, which are
12 generally either more stable in terms of revenues
13 and/or have a lot of philanthropic capital in them,
14 dominated CDF's early years.

15 And so, you know, that's not
16 necessarily a huge problem, but we do see an
17 opportunity potentially to rebalance the portfolio
18 a little bit more towards grocery or industrial
19 deals since those sectors are seeming more viable
20 and there are some opportunities in the pipeline.

21 The transaction that's on the table
22 today is an industrial deal. And there are a
23 couple grocery opportunities, in particular the
24 Halsted Parkways Whole Foods anchor project at 63rd

1 and Halsted. And then the only remaining former
2 Dominick's site in the city that isn't spoken for
3 at this point is 71st and Jeffrey. So that's a
4 huge priority for DPD to identify a strategy to
5 re-tenant that and avoid creation of a food desert.

6 So there may be opportunities to
7 sort of re-weight the portfolio a little bit
8 towards those two catch-up sectors while keeping
9 the need for getting the dollars out quickly to
10 high quality projects also in mind.

11 As far as our timing and deadlines,
12 actually yesterday the current -- or the most
13 current round of allocations was opened up again.

14 So the due date for the applications
15 is October 1st, 2014. And this is a provisional
16 round. So, in other words, Congressional authority
17 does not currently exist for this round of
18 allocation. Congress will have to take action at
19 some point between now and when credits are
20 awarded, or else there will be no round.

21 So the last time this happened was
22 the 2012-2013 cycle where applications went in in
23 the summer of 2012 and then Congress extended the
24 program on New Year's Day 2013. So that round

1 stayed on schedule because Congress did what they
2 needed to do in time.

3 No predictions really about how this
4 round's going to shake out other than it seems to
5 be sort of short-term extensions that are kind of
6 best that we can ever see out of Washington. So I
7 guess that's the best precedent here.

8 As far as the key deadlines to focus
9 on, so the October 1st application deadline
10 certainly, and then the QEI deployment deadline is
11 January 30th, 2015. So CDEs that apply in this
12 round have to get a certain percentage of their
13 most recent award out in order to be minimally
14 qualified for another award. In this case, it's
15 30 percent of CDF's current award that has to be
16 out the door at the latest by January 30th, 2015.

17 In practice, it would be better
18 to deploy a lot more by that deadline to be
19 competitive. But that is a date in which Treasury
20 will check up on progress for CDEs in a formal way.

21 So 2014 deployment strategy. What
22 does this all mean for CDF? We would recommend
23 full closing and funding of at least 13 million
24 of the allocation, so that 30 percent, by the

1 application deadline as opposed to the QEI
2 deadline. So getting ahead of schedule for
3 competitive purposes.

4 And then also additional projects
5 seem to be ready to take commitments of the tax
6 credits by roughly the October timeframe, think
7 about doing some additional prefunding, which is
8 taking in the equity investment from the tax credit
9 investor, but not pushing the dollars down to the
10 underlying project until full closing happens. But
11 prefunding by, again, 10/1 and basically focusing
12 on the balance of the allocation or as much as
13 possible being committed to other projects that
14 seem ready to move quickly by year end, prefunding
15 perhaps some additional allocation by the
16 January 13th deadline.

17 You may all recall prefunding is
18 something that CDF has had to do a few times in the
19 past. Last year I think there were three separate
20 prefundings for competitiveness reasons to show
21 Treasury that the dollars were flowing. And so
22 that continues to be something that most CDEs do
23 and seems to be kind of a competitive necessity,
24 unfortunately.

1 And that's what I have on the
2 application dynamics.

3 CHAIRMAN MOONEY: Questions?

4 MS. SCOTT: One quick question on the
5 prefunding.

6 MR. SMITH: Yes.

7 MS. SCOTT: When we did that last year,
8 what's the update on what happened to those
9 prefunded projects?

10 MR. SMITH: Great question.

11 Yeah. So for the September
12 application deadline, CDF prefunded 13 million in
13 anticipation of Breakthrough Urban Ministries.
14 That was fully deployed by November of that same
15 year.

16 And then 5 million that was
17 uncommitted. And so that's the 5 that made its
18 way into the METROSquash closing.

19 And then 6 million was prefunded on
20 12/30 of last year, and that 6 million is what's
21 earmarked for the SCR closing.

22 MS. SCOTT: All right. So it really has been
23 prefunding. It actually just is a timing issue.

24 MR. SMITH: Yeah, because Treasury checks on

1 qualified equity investment accounts as opposed
2 to actual deployment down to the projects, and
3 so you can sort of show this is fully committed
4 allocation, we have to use it within a date certain
5 after we prefund, and Treasury has clearly -- or
6 consistently focused on that number as opposed to
7 the actual dollars down to the project.

8 CHAIRMAN MOONEY: Okay. All right. We have
9 one project that we would like your consideration
10 of today, Method Home Products. Most of you are at
11 least somewhat familiar with the project. Tony and
12 Aarti.

13 MR. SMITH: Okay. So this is a 150,000
14 square foot manufacturing facility warehouse and
15 distribution center in Pullman Park on a 22-acre
16 site. So a new build project.

17 It includes a lot of noteworthy
18 green features. You see in the rendering here a
19 standalone wind turbine and then a 40,000 square
20 foot greenhouse that would be constructed on top
21 of the roof by a third-party greenhouse operator.

22 And then Method will be the primary
23 tenant in the building, and then there will be a
24 third-party bottling company that supplies Method

1 that would be co-located in the building.

2 This will be manufacturing 90 or
3 so percent of Method's total products for North
4 America right here in Chicago.

5 So the total financing is for the
6 building construction as well as for some equipment
7 and working capital because they're starting up new
8 manufacturing operations inhouse here in the
9 building.

10 So 720 East 111th Street, Pullman
11 neighborhood, 9th Ward. And this is likely to
12 close in the third quarter.

13 So more project context. This
14 aerial and map shows the location. So it's just
15 west of the Bishop Ford Expressway and just north
16 of 111th Street. So this is part of the former
17 Ryerson Steel site that's owned by Chicago
18 Neighborhood Initiatives and that they've been
19 incrementally preparing and selling off for
20 different end uses.

21 And so you see here there's one more
22 major pad in the Chicago Neighborhood Initiatives
23 Ryerson area. That'll probably be another future
24 industrial project, but unrelated to Method.

1 As far as more background on the
2 company. So it's an eco-friendly cleaning products
3 manufacturer, retailer as well, founded in
4 San Francisco in 2000 and recently acquired back in
5 2012 by Ecover, which is a Belgian company, also
6 a green products cleaning company. Ecover's
7 reputation is kind of more green than Method's
8 actually. You only find their products in natural
9 food stores or Whole Foods as opposed to Target
10 where you often find Method.

11 Method is a B corp., which is a
12 somewhat emerging and distinctive type of
13 corporation. Essentially it's a corporation that
14 mixes a mission with profit motive, and so it
15 creates additional protection for the company in
16 case shareholders are dissatisfied that it's not
17 maximizing profit for mission reasons. B corp.
18 status protects against those types of allegations.

19 There's also a separate nonprofit
20 body, I call it B Lab, that's a global organization
21 that certifies B corp.s. They go and check up on
22 how they're adhering to their different mission
23 criteria and scores them, and they have to get
24 above a certain score to maintain their B corp.

1 status.

2 So Method is also committed to high
3 quality jobs and employee satisfaction in addition
4 to its sustainability mission. And through -- it's
5 not just the building itself. They also have
6 cradle to cradle certification for a number of
7 their different products, which is a certification
8 looking at the inputs and the manufacturing process
9 and how sustainable that is over the long term, how
10 the different byproducts can be disposed of or
11 recycled. So that's a fairly high standard for a
12 manufacturing process, and you don't see that very
13 often.

14 MS. NEELY: How many jobs are they
15 contemplating creating?

16 MR. SMITH: So Method is projecting that
17 it'll create 66 Method employees on site. And then
18 the bottling company would be 25.

19 That was a great segue, by the way.

20 MS. NEELY: I see.

21 MR. SMITH: 25 employees at the third-party
22 bottling company in the building.

23 And then the separate rooftop
24 greenhouse operator, for whom a lease was actually

1 just signed, would be an additional 30 permanent
2 employees.

3 MS. KOTAK: And that number's now 40 just
4 based on their own -- for the greenhouse.

5 MS. NEELY: Let me read on to make sure
6 that ...

7 Have they committed to hiring from
8 the neighborhood?

9 MR. SMITH: They have, yes. They actually
10 put in place a Community Benefits Agreement with
11 Alderman's Beale's office. I believe it's a 25
12 percent neighborhood hire, then 50 percent city
13 resident hire standard that's set forth in that
14 agreement.

15 As far as the wages, so 66 employees
16 that Method projects on site will be averaging
17 60,000 a year plus comprehensive benefits. And
18 then 47 of those 66 would be what are termed to be
19 highly accessible jobs, warehouse and manufacturing
20 positions with not a lot of advanced training or
21 education requirements other than high school
22 diploma. And those positions average about 40,000
23 a year. And the hourly positions, which are, I
24 guess, 38 out of the 47 positions are hourly, they

1 average \$15 an hour plus a 10 percent typical
2 annual bonus.

3 Method is also putting in place a
4 lot of training and local hire initiatives, CBA we
5 talked about, but also they're going to spend about
6 a million one on training for their production
7 employees.

8 The City is contemplating or --
9 has the City committed the TIFWorks funds or just
10 contemplating?

11 MS. KOTAK: We have indeed. 800,000.

12 MR. SMITH: As far as other community impacts
13 received in this project, sustainability is really
14 a key one.

15 This building is currently on
16 target to achieve the highest LEED score that any
17 production facility in the world has ever gotten
18 to.

19 So the green features would include
20 a standalone wind turbine and some solar trees in
21 the parking lot, which will provide shading as well
22 as charging for electric vehicles, a solar thermal
23 hot water system which would use sunlight to
24 provide a substantial amount of the heating for the

1 water, and then the rooftop greenhouse, which is a
2 separate operator, but Method's incurring a lot of
3 costs and extra brain damage in building the
4 building to accommodate it. That's a local food
5 play that will also cool the roof by having that
6 agricultural use up there.

7 There's also some interesting
8 catalytic aspects to this project. In fact, given
9 that the City was courting Method last summer, we
10 participated in some of those meetings to help
11 reaffirm that New Markets Tax Credits are --
12 Chicago's a good environment for New Markets. CDF
13 is a strong City-affiliated CDE, gets -- has a
14 strong history of getting awards and supports
15 industrial projects.

16 Method has planned to have New
17 Markets as part of their financing stack from day
18 one regardless of whether they chose Chicago or
19 other Midwestern states.

20 And so the New Markets message was,
21 If you come to Chicago, you know, CDF is a great
22 partner to potentially have at your side.

23 And accordingly, since the project
24 was on CDF's radar, it went in the application for

1 the most recent award as a pipeline project.

2 And so in that pipeline discussion,
3 we saw some parallels to the Testa Produce project
4 from 2010 that CDF financed, which was a LEED
5 platinum industrial building, solar trees in the
6 parking lot, standalone wind turbine. Method has
7 actually selected the same design build firm,
8 Summit Construction, to build this Pullman facility.

9 And also it's benefitting from a lot
10 of the regulatory work the City did to figure out
11 how to regulate and streamline permitting for these
12 very green new generation manufacturing facilities.

13 So it's a great kind of story here
14 of Testa and Method and kind of reinvigorating the
15 City's industrial base and modernizing it.

16 As far as the financial aspects of
17 the transaction. So the proposed CDF allocation
18 amount would be 13 million, which would generate
19 about \$4 million net subsidy to the project.

20 This is a large transaction with
21 25-1/2 million of total federal allocation that's
22 on the table for Method from a couple different
23 parties as well as 10 million of state New Markets
24 Tax Credit allocation.

1 So the other federal participants
2 would be IVAF, Illinois Valued Advisor Funds, which
3 is a private for-profit CDE, and then 7-1/2 million
4 from Brownfield Revitalization, LLC, which is a
5 private for-profit based in North Carolina.

6 And then US Bank itself, which would
7 be the tax credit investor in both the state and
8 federal credits, would also put in 10 million of
9 state of Illinois tax credit allocation, which is a
10 parallel piggyback program that uses state income
11 tax credits to do -- to generate a similar benefit,
12 although it's a shallower benefit than the federal
13 credit.

14 So in aggregate, those other three
15 layers would provide another 6.4 million of state
16 and federal tax credit subsidy beyond what CDF's
17 putting in.

18 As I mentioned, US Bank will be the
19 tax credit investor. They're also the relationship
20 bank for Method. And so they will be providing
21 some new senior debt, \$7 million to the company.
22 And then Method's also supplementing with some
23 equity as well as some junior debt from its parent
24 company.

1 So \$32.6 million total project.

2 CHAIRMAN MOONEY: Okay. Questions?

3 MS. SCOTT: What can you tell us about the
4 independent third-party bottling company?

5 MS. KOTAK: They're out of Lexington,
6 Kentucky where they are right now. And so they're
7 essentially going to be co-located at this Pullman
8 site.

9 Besides that, they're -- Alcoa might
10 be their -- I've got their name, but it's just a
11 small bottling company.

12 MS. SCOTT: They're actually creating another
13 business here in Chicago --

14 MS. KOTAK: Absolutely.

15 MS. SCOTT: -- as a result. I mean, already
16 it's having that kind of effect, right?

17 MS. KOTAK: Absolutely.

18 So you can say that both for the
19 bottler as well as for the greenhouse on top, which
20 that really was sort of an unexpected -- the fact
21 that their numbers are so large, it's beyond what
22 we thought. We thought it was originally going to
23 be sort of 10, 12, and they have just decided to
24 expand their footprint.

1 And I think Method understands that,
2 the benefit of that. They've had discussions --
3 that greenhouse has had discussions already with
4 Whole Foods about being a sole source and having a
5 priority relationship which they -- exists right
6 now. They've -- Gotham Greens, which is that --
7 providers in Brooklyn on top of a Whole Foods out
8 there. And so they're going to triple their size
9 and then do the same thing here.

10 MS. SCOTT: Thank you.

11 CHAIRMAN MOONEY: Thank you.

12 Rafael, any comments from the
13 advisory board?

14 MR. LEÓN: No comments.

15 CHAIRMAN MOONEY: No comments.

16 Okay. Unless there are any other
17 questions or comments, motion, please, to accept.

18 MS. NEELY: Motion.

19 CHAIRMAN MOONEY: Second.

20 MS. AUSTIN: I second.

21 CHAIRMAN MOONEY: All in favor say aye.

22 (Chorus of ayes.)

23 Thank you. Pass.

24 I don't think there's any other

1 business that I'm aware of. I don't know if I kept
2 you to the half hour, but I tried.

3 MS. NEELY: On the dot.

4 MS. AUSTIN: Move to adjourn.

5 MS. NEELY: Second.

6 CHAIRMAN MOONEY: All in favor say aye.

7 (Chorus of ayes.)

8 Thank you all very much.

9 (Which were all the proceedings
10 had this day.)
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1 STATE OF ILLINOIS)
) SS:
2 COUNTY OF C O O K)

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4 I, Nick D. Bowen, do hereby certify that
5 I reported in shorthand the proceedings of said
6 hearing as appears from my stenographic notes so
7 taken and transcribed under my direction.

8 IN WITNESS WHEREOF, I have hereunto set my
9 hand and affixed my seal of office at Chicago,
10 Illinois, this 11th day of August 2014.

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13 Illinois CSR No. 084-001661
Notary Public, Cook County, Illinois
14 My commission expires June 13, 2017

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